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A Subsidiary of Cominco American Incorporated

March 14, 2000

OFFICE OF REGIONAL COUNSEL
EPA REGION X

Honorable Charles Clarke, Administrator
U.S. Environmental Protection Agency, Region 10
1200 Sixth Avenue
Seattle, WA 98101

Re: Cominco Alaska Incorporated, Red Dog Mine
March 7, 2000 Administrative Order
Docket No. CAA-10-2000-0035
BACT Determination for MG-17 (new 7th
Diesel Electric Generator)

Dear Mr. Clarke:

I understood from our meeting in Seattle last fall that EPA would work with Cominco and the State of Alaska to find a process that would resolve the dispute between EPA and the State over who has the ultimate authority to determine BACT for MG-17, while not causing Cominco harm. The parties are now presenting the issues they have been unable to resolve to the Ninth Circuit Court of Appeals. I remain hopeful that we can proceed with obtaining a resolution from the court without causing harm while the matter is considered.

For that reason, Cominco asked in February that EPA grant a stay of its orders to the State and Cominco protecting them from harm during the court's consideration of the BACT authority issue. EPA responded with an amended order to Cominco. Although we sincerely appreciate EPA's efforts to try to accommodate a portion of Cominco's construction schedule, the amended order falls far short of what is needed to prevent severe harm to Cominco.

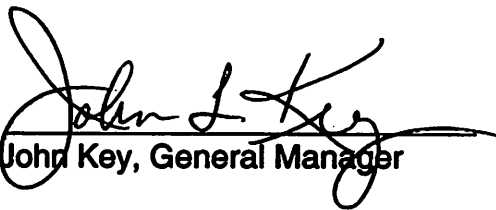
Cominco must be able to proceed in accordance with its schedule for the construction and commissioning of MG-17, including putting MG-17 into operation on or about January 1, 2001. It must be able to do this without the risk of any penalties or other sanctions. This is explained at length in separate correspondence from our attorneys to Julie Matthews in your Office of Regional Counsel. I hope that you will apprise yourself of the contents of these letters and fully consider Cominco's request for a stay of both EPA's December 10, 1999 Order to the State and EPA's March 7, 2000 Amended Order to Cominco.

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If EPA will not grant a stay protecting Cominco and ADEC from harm during the court's consideration of the matter, it will be necessary for Cominco to file a Motion for Stay of the orders this coming Friday, or early next week at the latest. Although we are proceeding with the motion we would much prefer stipulating with EPA and the State to the relief we are seeking. We are certainly open to discussing this with EPA, either before or after we file our motion.

Sincerely,

COMINCO ALASKA INCORPORATED

By: 
John Key, General Manager

cc: Commissioner Michele Brown
Doug Horswill, Cominco Ltd.